



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

May 19, 1992

RETURN RECEIPT REQUESTED  
P 074 978 838

Mr. Thomas M. Nielson  
Minerals West, Incorporated  
2000 East Roger Road  
C-21  
Tucson, Arizona 85719

Dear Mr. Nielson:

Re: Request for Written Release, Reclamation Surety, Minerals West, Incorporated,  
MiVida Mine, M/037/028, San Juan County, Utah

As you are aware, on December 5, 1991, after public notice and hearing, the Board of Oil, Gas and Mining (Board) approved the forfeiture of the reclamation surety posted by Minerals West, Incorporated (Minerals West), for the MiVida mine in San Juan County, Utah. A Board Order subsequently followed which was signed on January 13, 1992, establishing the Board's decision and findings. This Order is now final and unappealable.

The operative Escrow Agreement was signed April 23, 1980, by Minerals West, First Security Bank and the Board. On page 3 of the Agreement, procedures for disbursement of funds are defined. Either of two conditions must be met before the full amount of surety and accumulated interest must be released by the Escrowee (1st Security Bank) to the State.

The first condition requires written mutual consent by both parties (Minerals West, and the Board) to terminate the Escrow Agreement. The second condition would require disbursement of the Funds by order of a court.

A certified letter describing those conditions was sent to you on February 25, 1992. The letter was signed for and effectively received (by your representative), on March 11, 1992 (copy attached). To date, we have not received any response from you.

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Mr. Thomas M. Nielson

M/037/028

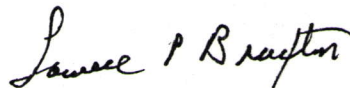
May 19, 1992

Your failure to respond to the Divisions February 25, 1992 letter dictates that the state of Utah, Division of Oil, Gas and Mining seek disbursement of the interest through court order. If the state of Utah prevails in court, you will be liable for court costs. The state of Utah, through the Attorney General's office, is now initiating that legal action.

I would like to avoid the delay in reclamation and the additional costs of legal action that seeking remedy through the courts will entail. On this basis, I have enclosed a mutual consent form for your signature. Upon receipt of that signed and notarized form, the Division will suspend legal action directed to recovery of interest.

We thank you in advance for your cooperation in resolving this matter. Please contact me or Wayne Hedberg of my staff should you have any questions in this regard.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

jb

Enclosure(s)

cc: Robert Lambert, 1st Security Bank  
Jim Carter, BOGM  
Dianne Nielson, DOGM  
Tom Mitchell, AAG  
Minerals staff (route)

M037028



MUTUAL ACKNOWLEDGEMENT OF TERMINATION  
MINED LANDS RECLAMATION ESCROW AGREEMENT  
\*\*\*\*\*

THIS AGREEMENT, entered into and signed on behalf of the Operator MINERALS WEST, INCORPORATED, and the Board of Oil, Gas and Mining, on the 23rd day of April 1980, is hereby *terminated*. Effective by signed mutual consent of the responsible parties pursuant to the conditions of the original AGREEMENT.

OPERATOR:

\_\_\_\_\_  
Operator Name (please type or print)

By \_\_\_\_\_  
Corporate Officer - Position

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) )  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared before me \_\_\_\_\_ who being by me duly sworn did say that he/she, the said \_\_\_\_\_ is the \_\_\_\_\_ of \_\_\_\_\_ and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said \_\_\_\_\_ duly acknowledged to me that said company executed the same.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

BOARD OF OIL, GAS AND MINING:

By \_\_\_\_\_  
James W. Carter, Chairman

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_)  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally  
appeared before me, who being duly sworn did say that he/she, the said  
\_\_\_\_\_ is the Chairman of the Board of Oil,  
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly  
acknowledged to me that he/she executed the foregoing document by authority of  
law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
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355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

February 25, 1992

RETURN RECEIPT REQUESTED  
P 074 978 826

Mr. Thomas M. Nielson  
Minerals West, Incorporated  
Apt. 2A  
659 South 1200 East  
Salt Lake City, Utah 84102

Dear Mr. Nielson:

Re: Request for Written Release, Reclamation Surety, Minerals West Incorporated, Mi Vida Mine, M/037/028, San Juan County, Utah

As you are aware, on December 5, 1991, after notice and public hearing, the Board of Oil, Gas and Mining (Board) approved the forfeiture of the reclamation surety posted by Minerals West, Incorporated (Minerals West), for the Mi Vida mine in San Juan County, Utah. A Board Order subsequently followed which was signed on January 13, 1992, establishing the Board's decision and findings. This Order is now final and unappealable.

The operative Escrow Agreement was signed April 23, 1980, by Minerals West, First Security Bank and the Board. On page 3 of the Agreement, procedures for disbursement of funds are defined. Either of two conditions must be met before the full amount of surety and accumulated interest, must be released by the Escrowee (1st Security Bank) to the State.

The first condition requires written mutual consent by both parties (Minerals West, and the Board) to terminate the Escrow Agreement. The second condition would require disbursement of the Funds by order of a court.

This Division is now seeking resolution of condition one and hereby requests formal written mutual consent from Minerals West, Incorporated to dissolve the



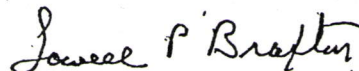
Page 2  
Minerals West, Inc.  
M/037/028  
February 25, 1992

Escrow Agreement, therein releasing all funds presently held by First Security Bank for reclamation of the Mi Vida mine. We have prepared a mutual consent form (enclosed) for your convenience which must be signed and returned to this office.

Your failure to abide by this request within thirty (30) days, March 26, 1992, will require that the State initiate legal action against Minerals West, Incorporated through the State Attorney General's Office. In addition to the total reclamation costs, if any, the State will add all legal costs incurred as a result of this action to the costs of reclamation.

We thank you in advance for your cooperation in this matter. Please contact me or Wayne Hedberg should you have questions in this regard.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

jb

Enclosure

cc: Robert Lambert, 1st Security Bank  
Jim Carter, BOGM  
Dianne Nielson, DOGM  
Tom Mitchell, AAG  
Minerals staff (route)

M037028.3

**SENDERS:** Complete items 1 thru 4. When additional services are desired, and complete items 5 and 6. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: THOMAS M NIELSON MINERALS WEST, INC APT 2A 659 S 1200 E SALT LAKE CITY UT 84102		4. Article Number P 074 978 886	
5. Signature - Address X		Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.	
6. Signature - Agent X <i>Thomas M Nielson</i>		8. Addressee's Address (ONLY if requested and fee paid)	
7. Date of Delivery 11 Mar 92 CR			

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

JB DOCM M/037/028 2/25/92